



KNIGHTDALE FINANCE COMMITTEE MINUTES

950 Steeple Square Court, Knightdale, North Carolina 27545

December 16, 2015

The Knightdale Finance Committee met at 6:00 p.m. in the Town Hall Conference Room.

PRESENT: Mayor James Roberson and Councilor Pete Mangum

ABSENT: Mayor Pro Tem Mike Chalk

Staff Members Present: Town Manager Seth Lawless and Administrative Services
Director Suzanne Yeatts

Meeting called to order by Councilor Mangum at 6:00 p.m.

Councilor Mangum opened the meeting with the following comments:

- Agendas and minutes are to be prepared for every meeting.
- The responsibilities of the committee should include reviewing procedures, audit results and comments in addition to budget preparation.

ITEM I. NEW BUSINESS

A. Fiscal Year 2015 Audit Results

Councilor Mangum asked Auditor Keith Joyce about the grant issue noted as a material weakness in the FY15 audit.

Auditor Keith Joyce shared the following comments:

- In a town this size, you don't have a dedicated position for grants only, but our suggestion is that anytime a grant is approved, the director contact on the grant should not be autonomous after award.
- Copies of all documentation should be given to a member of the finance staff and/or this committee. This would ensure that someone who has the knowledge and understanding of what the grant entails and requires is involved.
- The Town had the exact same finding in 2013; in 2014 it got cleaned up at the end of the year.
- An example of a grant issue during FY15 is a Parks and Recreation grant that called for quarterly reimbursements and the director of that department did not ask for any reimbursements. The Town should have asked for and received this money but that did not happen.

Town Manager Seth Lawless noted that directors need council approval for all grant applications and that a staff member in the Administrative Services Department would be given the duty of "grant coordinator".

Councilor Mangum asked about the credit card purchase & purchase order comments in the audit.

Town Manager Lawless noted that this has improved and most purchasing violations were mistakes and violators were being trained and notes were included on performance evaluations of directors.

Councilor Mangum and Mayor Roberson suggested better enforcement through disciplinary action and taking purchasing privileges away for a period of time as a result of violations and possible sampling at the committee level.

Mayor Roberson noted that the goal is 100% compliance.

Administrative Services Director Suzanne Yeatts noted sampling may not be necessary due to the data staff currently keeps up with on every transaction noting there is a report available showing each town transaction and whether it violated policy.

Mayor Roberson and Councilor Mangum noted the need to set very clear expectations letting staff know rules are going to be followed and monitored.

Mayor Roberson suggested Seth send out a memo regarding this and copy finance committee members when such information is disseminated.

Purchasing thresholds were discussed and noted that \$100 is low for a purchase order requirement. Town Manager Lawless suggested considering increasing this to \$500 in a year or so as an incentive.

Auditor Keith Joyce noted there are many issues with the chart of accounts that the former Finance Officer created noting duplicate accounts, capital project accounts as well as grant activity needing to be tracked separately.

B. 2016 Meeting Schedule

Committee members requested meetings at 6:00 p.m. prior to every 2016 Council meeting noting that additional meetings could be called as well as unnecessary meetings cancelled.

Town Manager Lawless noted that a committee meeting agenda would be created for each meeting. Mr. Lawless also stated that budget information would not be available until mid-February.

Councilor Mangum responded that the January meetings and the first February meeting would be reserved for internal control discussions.

Town Manager Lawless discussed the revenue neutral rate noting that his calculations resulted in just under 43 cents.

C. Goals

Council provided the following direction regarding goals for the coming year:

- Correct chart of accounts
- Review budget requests by department
- Make an effort to fully inform the entire council of the town's finances on a monthly basis in layman's terms so they are all aware of how to plan and prioritize initiatives.
- Staff member responsible for grant coordination should give Council a quarterly update with the status of all grants. This information should be disclosed to the finance committee prior to each update to Council.

Town Manager Lawless recommended a revenue and expenditure report provided on a monthly basis.

ITEM II. ADJOURNMENT

Meeting adjourned at 6:48 p.m.



Committee Chairman



Finance Officer